

Lisa L. Martin, "Credibility, Costs, and Institutions: Cooperation on Economic Sanctions", World Politics, April 1993, pp. 406-432

purpose: given that sanctions work only when multiple states comply their imposition, when is international cooperation on economic sanctions possible?

summary: international cooperation is possible when the leading state can credibly commit to countersanctions by raising domestic audience costs and creating issue-linkages through international institutions

- A. nature of game: sanctions only work when the target nation is hurt by the economic restrictions, i.e. sanctions must be a multilateral endeavor (411)
- preferences of actors:
 - leading sender (state A): state that wants to initiate the sanction
 - dominant strategy: sanction
 - potential sanctioner (state B): wants some action but doesn't want to bear costs
 - dominant strategy: refuse to impose sanctions (free-ride)
 - result: given narrow rationality, State A always unilaterally imposes sanctions
 - A can get B's cooperation only if it can change the nature of the game through issue-linkage so that B will prefer bilateral sanctions to free-riding, i.e. change B's payoffs
 - two types of issue-linkage (411)
 - side payments / inducements: increase B's payoff from bilateral sanctions so that benefits from cooperation are larger than that from free-riding, i.e. transfer of benefits from A to B, contingent on B's cooperation; e.g. debt relief
 - threats: countersanctions that A uses to decrease B's payoff from freeriding below that of bilateral cooperation
- B. central problem: *credible commitment*
- B's compliance is contingent on the credibility of A's commitment to tactical issue-linkage (413)
 - because both issue-linkages are costly (lower payoffs from sanctions or costs from countersanctions) for A, A would prefer to gain B's cooperation and then renege on the issue-linkage
 - A often needs domestic political consensus to provide inducements or carry out threats; these aren't necessarily automatic
 - State A needs some kind of commitment mechanism, but there are no strong institutions or rule-governed behavior in the international arena
 - solution: leading sender demonstrates credible commitment by raising A's costs of renegeing on threats or promises, i.e. raise audience costs
 1. domestic: political leaders incur high initial costs in imposing high-cost sanctions, since it requires a lot of political leverage (expenditure of a lot of political capital) to forge the domestic coalition necessary; administration must convince skeptics that the target's actions are threatening / wrong, and that international cooperation in sanctioning will occur
 - the administration will face high domestic costs if it then backs down from countersanction threats, since it would call into question its initial argument and damage its reputation
 2. international: making threats and promises within an institutional framework increases the audience costs of renegeing (416); international institutions provide an opportunity to form issue-linkages that benefit states across a range of issues, but a state that reneges on its initial policy will damage its reputation within the institution, whose members will begin to doubt the state's commitment to other deals
 - high costs of generating the approval of an international institution (expenditure of political capital analogous to domestic example) raises future costs of renegeing
 - when the above conditions aren't met, i.e. sanctions are low-cost, then cooperation will be unlikely
- C. empirical question: does undertaking high-cost sanctioning strategies (domestic and international audience costs) lead to greater international cooperation in sanctions?

Data: Hufbauer, Schott, and Elliott's data on 99 post-1945 cases of economic sanctions

IVs: 1) whether or not the issue was brought before an international institution, and 2) costs borne by the leading sender (p.423 for details)

DVs: two measures: 1) subjective cooperation score (Hufbauer, Schott, and Elliott), 2) number of countries imposing sanctions

findings: ordinal probit and truncated negative binomial regressions both indicate that 1) when the sanctioning issue is brought forth in an international institution, and 2) the sanctions are economically costly for the leading sender, international cooperation is more likely to be forthcoming